BC Public Service Agency
and
BC Leadership Centre

2003/04
Annual Service Plan Report

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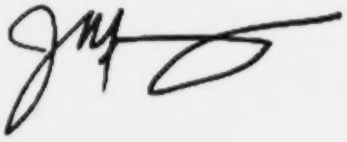
Minister's Accountability Statement

The 2003/04 BC Public Service Agency and BC Leadership Centre Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. This report compares the actual results to the expected results identified in the Agency's 2003/04 Service Plan. I am accountable for the Agency's results and the basis on which they have been reported.



Honourable Joyce Murray
Minister of Management Services and
Minister Responsible for the
BC Public Service Agency and
BC Leadership Centre

June 29, 2004

BRITISH COLUMBIA

BC Public Service Agency and BC Leadership Centre

It is my pleasure to present the first annual service plan report for the BC Public Service Agency and BC Leadership Centre.

Fundamental changes were made to human resource management services in government during fiscal year 2003/04. On April 1, 2003, the BC Public Service Agency and the BC Leadership Centre were established, replacing the Public Service Employee Relations Commission.

This new government-wide model for human resource management consolidated all operational human resource services and provided an annual cost saving of $19.1 million.

In addition to achieving significant cost reduction, this new structure provides clearer accountability for human resource governance and management in the public service. The Agency assists deputy ministers and ministry line managers in managing their accountabilities for human resources. To realize its corporate objectives, the Agency works closely with Ministries' Strategic Human Resources branches, as business and strategic partners.

All of the participants in the redesign of government's human resource practices are to be commended for their vision and their commitment to the organizational goals. Professional, dedicated public servants contribute, fundamentally, to British Columbians' well-being and play a vital role in the lives of all British Columbians. The province is committed to making the BC public service the number one employer of choice for highly skilled staff.

The following report describes the activities and achievements of the new BC Public Service Agency and the BC Leadership Centre in their inaugural year of operation. I am very proud of the work that the Agency has undertaken. A dedicated public service supports government's strategic goals for a strong and vibrant economy, supportive social fabric, safe, healthy communities and a sustainable environment.

Honourable Joyce Murray
Minister of Management Services and
Minister Responsible for the
BC Public Service Agency and
BC Leadership Centre

Year-at-a-Glance Highlights

- The BC Public Service Agency opened its doors for business in eight locations, including offices in Prince George, Kamloops, Nelson, Vancouver, Abbotsford, Nanaimo and Victoria, on April 1, 2003.
- Working with ministries, the cost for delivery of human resource services was reduced by 44 per cent, representing savings of $19.1 million across government.
- The delivery of Government's human resource programs and services was fundamentally changed through the implementation of a new consolidated human resource management delivery model.
- Accountability for human resource management was aligned with ministry line managers and deputy ministers through negotiation of ministry service level agreements and the development of a delegation matrix outlining accountabilities for decision-making at all levels.
- The third and final year of workforce adjustment was completed, reducing the size of the BC public service by over 7,600 employees. Of these, approximately 85 per cent departed voluntarily.
- Continuing the work of the Public Service Renewal initiative, leadership training was delivered to 4,100 managers.
- Deregulation activities resulted in an overall reduction of 33 per cent of regulations, while streamlining and modernizing human resource policies and practices.

Agency Role and Services

Agency Overview

In the fall of 2001, the Government of B.C. mandated a change to the way common services were delivered, including human resource management. After extensive consultation across the organization, review of human resource business processes and research of best practices in other jurisdictions, the BC Public Service Agency was created to consolidate human resource services throughout the BC public service into a single organization. When it opened in April 2003, the Agency replaced the Public Service Employee Relations Commission (PSERC).

The BC Public Service Agency provides human resource management services to ministries and public service organizations in British Columbia. The BC Leadership Centre provides or coordinates human resource policies, programs and services for approximately 1,100 executives and senior managers.

The Agency works in partnership with Strategic Human Resource branches within public service ministries and organizations. Collectively, this group is referred to as the human resource organization. The human resource organization creates a shared service for which the Agency is accountable to the Deputy Ministers' Council through a memorandum of understanding, and to individual ministries through service level agreements. The Agency is a client-centred organization committed to retaining, motivating, recognizing and attracting the workforce needed for public service excellence.

With headquarters in Victoria, the Agency operates with 380 employees, 200 of whom work in client services offices located in Abbotsford, Burnaby, Kamloops, Nanaimo, Nelson, Prince George, Vancouver and Victoria.

Agency Vision, Mission and Values

Vision

The BC Public Service Agency is driven by a vision of:

- Connecting with our clients to provide excellence in human resource service that achieves results.

Mission

We achieve this vision by focusing on a mission of:

- Providing leadership in people management and human resource services to support achieving excellence in public service.

Values

The Agency performs its business guided by the following values:

- We provide professional and high-quality service and are accountable for our performance;
- Our relationship with our clients will be respectful, open and collaborative;
- Through team work, we trust and support each other and work across divisional boundaries;
- We model the human resource practices that we wish to see throughout the public service; and
- Our clients' success is our success.

These values are applied through on-going accountability mechanisms, including client surveys, service level agreements, the memorandum of understanding with Deputy Ministers' Council and on-going relationships with our clients.

In addition to the accountabilities previously identified, much of the BC Public Service Agency's authority and accountability comes from government legislation, specifically the *Public Service Act*, the *Public Service Benefit Plan Act* and the *Public Service Labour Relations Act*.

Agency Operating Context

Establishing a Shared Service

Shared services or consolidated models for human resource service delivery have been widely used in the private sector to reduce costs and increase the effectiveness of human resource support to business operations. Few comparable models exist in the public sector. Although no public or private sector organization provides a perfectly comparable model, lessons can be learned from the experiences of all the organizations that were studied in developing this organization.

The Ministry of Finance internal audit division conducted a baseline study in 2002 to assess the cost of human resource programs and services in government. This was the first time that the cost of human resource service delivery was calculated across government. Funding for human resource programs and services varied widely from $847 to $1,450 per FTE (Full Time Equivalent — a term used to describe a full-time position) for an average $1,120 per FTE. This discrepancy in funding also resulted in varying practices and service levels among ministries.

The transition to one standard for service levels and costs across the public service continues to be a difficult transition; some ministries face increased costs while others face a decrease in service levels. The Public Service Agency is required to balance the tension between service levels, costs, the clients' ability to pay and client satisfaction.

Facing Challenges

British Columbia's public service will face increasing people management challenges as a result of an aging workforce and increasing competition for talent in the market. These challenges require forward-thinking, progressive and proactive responses that will position the government's workforce for the future.

As government moves to alternative service delivery models and makes other programming changes, the demand for capable and committed people will increase. The success of these initiatives will be dependent on an effective human resource support structure.

On its establishment, the Public Service Agency provided services to a core group of ministries but, following the initial transition, the Agency successfully pursued and engaged several other public service organizations. This has expanded the client base and will result in reduced costs through economies of scale.

Agency Structure and Core Business Areas

When the BC Public Service Agency was formed, business areas were established to implement the new model for human resource management in the public service. This new organizational structure reflected the consolidation of human resource services and provided a structure for human resource management and administration. Five core business areas were established:

1. Governance and Strategy
2. Client Services
3. Workplace Health and Benefits
4. BC Leadership Centre
5. Executive and Support Services

1. Governance and Strategy

This business area is responsible for strategic planning, legislation, policy development, corporate human resource programs, performance measurement, compensation, classification and employee relations. The Governance and Strategy Division and the Employee Relations Division carry out these responsibilities, with the Compensation and Classification Branch working within both divisions.

Corporate Human Resource Strategy and Planning

Overview

Corporate Human Resource Strategy and Planning was established in April 2003 with responsibility for government-wide human resource strategy and planning, including the design and development of corporate-wide programs, the development of contemporary

legislation and policies and responsibility for meeting deregulation targets. This area was also responsible for monitoring the effectiveness of the Agency and managing the Provincial Employees Community Services Fund. The Division is committed to designing strategic solutions to support people, performance and business results.

In response to the changing needs of the public service, Corporate Human Resource Strategy and Planning researched and developed corporate-wide programs in a range of areas, including recruitment and selection, performance management, core competencies, awards and recognition, and organizational development.

Year in Review

- The *Public Service Amendment Act* was passed in November 2003, modernizing and streamlining staffing in the public service; eliminating the Public Service Appeal Board; and implementing the new internal staffing review process. To ensure clear communication and understanding of these policy and legislative changes, information sessions were delivered to all human resource practitioners and to managers throughout the public service. As well, electronic resources were developed to support managers and the human resources community.
- Working with the Office of the Merit Commissioner, new procedures were established for administration of the staffing review process. To support the annual Merit Commissioner audit of staffing, the Agency worked with BC Stats to redesign the audit process and provided support to the external auditor.
- The Agency committed to have employee performance and development plans (EPDP) in place for all staff by July 15, 2003 and worked with cross-Ministry working committees to lead the roll-out of EPDP throughout the public service.
- More than 7,000 public servants were formally recognized for significant contributions to their workplaces.
- Legacy projects of the Renewal initiative, launched in 2001 by the former Public Service Employee Relations Commission, included project management of 21 Leadership Action workshops, the establishment of more than 100 leadership communities and the creation and coordination of a Community of Practitioners involved in employee engagement practices.
- The Division developed the second Corporate Human Resource Plan, entitled "Fostering Excellence in Public Service". The plan provides direction and sets out clear accountabilities and expectations for all levels of the public service to achieve excellence in the public service.
- In support of government's commitment to adopt enterprise-wide risk management in planning and decision-making activities, Agency staff are applying tools in strategic planning, project management and policy and program development.
- A performance measurement framework was designed and implemented to evaluate the performance of the Agency, the effectiveness of policies and programs, and the overall management of human resources across the public service.

Compensation and Classification

Overview

The Agency develops and maintains job evaluation and compensation plans for use across government. The Agency is responsible for ensuring job evaluation plans are implemented equitably in all ministries and agencies that are governed by the *Public Service Act*.

Job evaluation is a formal process by which management determines the relative value of different jobs within an organization. This relative value determines the appropriate salary.

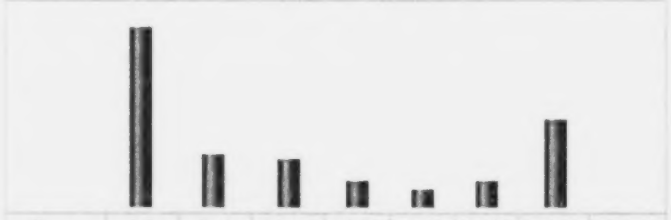
The Agency is responsible for consultation with bargaining unit representatives on the development of job evaluation plans, design and implementation of management plans, and administration of related compensation policy.

The authority to evaluate jobs is vested with the Agency and may be delegated to ministry staff. To accomplish equitable application of job evaluation plans, the Agency trains, delegates and monitors the application of the various plans, and conducts random performance reviews.

Year in Review

- Over the year, the Agency resolved 59 classification appeals through dispute resolution processes, an increase of 84 per cent from the previous year.
- The Agency approved 1,610 classification review requests. These were only for positions that were not delegated to ministries for classification. Of these decisions, 70 per cent were completed within 20 calendar days.

Turnaround Time for Job Classification



Days	0-5	6-10	11-15	16-20	21-25	26-30	>30	Total
FY2003/04	41%	12%	11%	6%	4%	6%	20%	100%

Based on the outcomes of 1,610 case files from 1 Apr 03 to 31 Mar 04

- New business processes were implemented during the year to increase efficiency. These included: a significant reduction in the processing steps for classification reviews, a universal job description format, electronic business tools and information for managers, easily accessible job description writing services, increased classification delegation to ministry/agency managers, specialized compensation expertise at regional offices and the provision of compensation data and information for collective bargaining purposes.

Employee Relations

Overview

The Agency provides comprehensive negotiation and labour relations services and ensures that government objectives are met in negotiation with public service unions and professional associations. Staff provide direction, advice and support to ministries and agencies on the interpretation and application of collective agreements and employment-related legislation, as well as on restructuring and workforce adjustment initiatives.

The Agency represents the government on matters arising out of collective agreements and employment-related legislation at arbitration and before the Labour Relations Board and other administrative tribunals. It also represents the Employer on pension-related issues.

Year in Review

- The Agency successfully negotiated an extension to the collective agreement with the government's largest union, the BC Government and Service Employees' Union, in the late summer of 2003, though the agreement did not expire until March 31, 2004. The extension is for two years and provides no general salary increases, however, it extends employment security to union members during the term of the extension. In addition, an extension to the collective agreement was negotiated with the government's second largest union, the Professional Employees Association.
- Approximately 2,600 grievances were scheduled for expedited arbitration resulting in 33 days of hearings in five locations. Thirty-eight expedited arbitration awards were issued. The Branch was also responsible for grievances and related disputes that led to 25 formal arbitration awards and 16 Labour Relations Board decisions. The remaining grievances were settled, withdrawn or adjourned by the parties before the hearings.
- The Agency coordinated the Workforce Adjustment program, which was in its third and final year. This program was one of the largest workforce adjustment programs undertaken by a provincial government in Canada. During the three years of this initiative, over 7,600 employees left the public service and the vast majority (approximately 85 per cent) left through one of the voluntary programs offered. Approximately 2,000 employees departed in 2003/04 and over 1,700 of these separations were voluntary.

Governance and Strategy Resources Used

- Actual operating expenses were $6,542,000; full-time equivalents were 65. For more detailed information, refer to the Report on Resources.

2. Client Services

Client Services supports the operational business needs of our client ministries, agencies and organizations across the province. Services are delivered on both a regional and centralized basis and are available to ministries through Service Level Agreements, which are negotiated between the Agency and the client. Central services include the Benefits Service Centre and Learning Services.

Regional Services and the Benefits Service Centre

Overview

Regional Services include services such as consulting and related support services in the following areas: recruitment and selection; compensation and classification; employee relations; disability case management; and occupational health and safety. The Benefits Service Centre provides enrollment and benefits administration for group life insurance, extended health and dental insurance, medical services plan and the deferred salary leave program. The Benefits Service Centre provided benefits services to over 43,000 public service and public sector employees and their families.

Year in Review

- Client Services was established this year, including negotiation of Service Level Agreements with ministries, boards and agencies, staffing and operationalizing Regional Client Services offices in four regions with eight different office locations — Victoria, Nanaimo, Vancouver, Burnaby, Abbotsford, Kamloops, Nelson and Prince George.
- Using activity-based management processes, the Agency developed a better understanding of its business processes and costs. Activity-based management provided a model to analyze and support strategic management decisions. Using this costing process and the information it provided, Client Services identified areas of activity that could be streamlined, eliminated and/or maintained and matched activities in the most cost effective way to strategic business goals.
- Business process review recommendations were implemented to improve services. This included establishing the Benefits Service Centre as a single point of contact for employee benefits inquiries, launching a toll-free number, streamlining the benefits enrollment process, and enhancing the employee benefits website information.

Learning Services

Overview

The Learning Services Branch is responsible for implementing the Corporate Learning Strategy; managing the Public Service Learning Fund and the Information Systems Learning Fund; managing the planning, procurement and delivery of competency-based corporate learning programs, products and services; and engaging in planning, consulting, infrastructure support and evaluative activities to enable quality service.

Year in Review

- Learning Services led a consortium, made up of the University of Victoria, Royal Roads University and Camosun College, to develop and deliver Leading the Way, a leadership and management development program for managers and supervisors. Public sector organizations have endorsed this innovative and cost-effective program.
- Learning Services offered more courses this year in every region. The most significant increases occurred outside of Victoria and Vancouver as the Agency focused on increasing access to training in other regions.

- The Workplace Skills program was launched with 14 new courses designed to address government's core competencies: service orientation, results orientation, and teamwork and cooperation.
- An evaluation framework was designed and implemented, providing a systematic and consistent way to evaluate whether training is meeting the needs of individuals and organizations.
- Violence prevention seminars, which address worker-to-worker violence, were offered 47 times and attended by 796 employees throughout the province.

Client Services Resources Used

- Actual operating expenses were $509,000; full-time equivalents were 195. For more detailed information, refer to the Report on Resources.

3. Workplace Health and Benefits

Overview

The Agency is responsible for the development, implementation and management of public service employee benefit plans and programs. The Agency has disability management programs, occupational health programs and corporate occupational safety programs.

The disability management program area specializes in the coordination of activities related to employee absence, return to work planning and benefits management. This includes managing the Short Term Illness and Injury Plan (STIIP), Workers' Compensation Board (WCB) benefits, and Long Term Disability (LTD) Plan. Great West Life is the insurance carrier for the Long Term Disability Plan.

Disability management is involved in the control of disability claim costs and ensures that employees return to work as quickly and safely as possible. Complex and long-term cases are facilitated through the joint union/employer Rehabilitation Committee. The disability management area manages claims and appeals and is responsible for corporate WCB policy.

Occupational health programs provide clinical rehabilitation and occupational medical assessment services to employees and their ministries. This unit assists ministries in responding to employee health matters and manages and delivers pre-placement medical screening programs for safety sensitive occupations within government service. The BC Employee and Family Assistance Program offers confidential counselling services designed to assist employees and their families to resolve problems that affect their personal lives and in some cases their job performance.

Corporate occupational safety programs provide occupational health and safety (OHS) consultation and support. This unit also provides advice and guidance on OHS development and compliance strategies, OHS education and training. In particular, the specialists within this program area provide expert consulting, advice and assistance to ministries on corporate operational practices in relation to occupational health and safety (i.e. legislation, regulatory and safety program requirements and incident investigation processes). This area monitors

and responds to WCB regulation, policy, and program initiatives, and provides advice to clients regarding WCB inspection reports, orders, penalties, and appeals.

Funding for employee benefits is recovered as a percentage of payroll from ministries. The rate for the fiscal year 2003/04 was 22.6 per cent. External organizations such as Crown corporations, agencies, boards and commissions who participated in these plans paid actual costs and premiums for the benefits provided to their employees.

Year in Review

- A comprehensive review of public service benefits management and administration examined the administration costs, charge back rates, cost containment/cost reduction measures and the development of an integrated approach towards employee benefits.
- An integrated disability case management approach to managing health-related absences within the workplace was adopted. This allows disability case managers to provide a consistent message and application of the proactive approach in the coordination of activities related to employee health-related absences, return to work planning and benefits management.
- The WCB claims management initiative, implemented in September 2000, continued to generate savings through effective appeals representation, pro-active management of longer term WCB claims, and pursuit of cost recovery opportunities. This year, direct and indirect savings totalled $2.5 million. Since 2000, $10 million dollars have been saved through this initiative.
- The Employee and Family Assistance Program was utilized by 2,600 employees and 1,827 family members. A follow-up survey of clients found that 88 per cent felt that their overall life situation improved and 94 per cent felt that their ability to deal with stress and to problem-solve improved as a result of the services received.
- The second year of the voluntary influenza preventive program was a success with 10,555 public service employees participating in the program. An additional 3,000 vaccinations for influenza were provided to employees who work in institutional settings to increase the protection of vulnerable clients within these institutions.

Workplace Health and Benefits Resources Used

- The Workplace Health and Benefits Branch operates on a cost-recovery basis; full-time equivalents were 57. For more detailed information, refer to the Report on Resources.

4. BC Leadership Centre

Overview

The Leadership Centre was launched in April 2003 with the mandate to recruit, develop and retain senior leaders to and within the BC public service. In October 2003 the Centre was amalgamated with the BC Public Service Agency, under one Deputy Minister, to enhance linkages with the Agency and provide integrated services to customers and clients.

The Leadership Centre directly provides or coordinates a range of strategic human resource programs and services to approximately 1,100 executives and senior managers, and collaborates within the Agency to produce policies and programs that build leadership capacity.

The Centre is represented on the Deputy Ministers' Council and is supported by a small team of professionals who provide, or contract for, human resource services. A Leadership Advisory Board consisting of nine executive members from public, private and academic backgrounds bring expertise to assist the Centre in building contemporary leadership programs.

The objectives of the BC Leadership Centre are to:

- Set a standard of excellence and be a model to attract, retain and develop competent and professional public service leaders;
- Build a corporate resource of executives and senior leaders that have the knowledge, support and services they need to meet the business and renewal agendas of government;
- Provide executive and senior managers with the resources they need to foster their professional growth, develop leading-edge skills and gain well-rounded experience in a variety of portfolios;
- Keep our leadership resource vibrant through recruitment, retention, development and succession planning; and
- Continually ensure employees with high potential are supported to become future leaders.

Year in Review

- The Leadership Centre was involved in the recruitment for new Deputy Minister and Assistant Deputy Minister appointments.
- A corporate succession planning pilot was launched with 75 individuals identified as ready or near-ready for Deputy Minister or Assistant Deputy Minister roles. These individuals received executive coaching and career planning sessions.
- The Leadership Centre developed a 360-degree Leadership Development Survey Policy to support the development of public service leaders. The survey gathers feedback data for an individual from a variety of sources, including direct reports, colleagues and supervisors. A total of 252 managers representing all ministries participated in the individual surveys and received follow-up coaching in response to survey results.
- The Agency launched the Corporate Mentoring Program, based on a successful pilot project at the Ministry of Children and Family Development. Phase I of this program targeted senior managers and initiated programs at the Ministry of Sustainable Resource Management and the Ministry of Water, Land and Air Protection.
- A Leadership Forum, for 250 senior leaders in government, focused on improving customer service and innovation.
- The Leadership Advisory Board was established and provided advice to government on issues of compensation, leadership development, succession planning, and the Premier's Awards.

BC Leadership Centre Resources Used

- The Leadership Centre operates on a cost-recovery basis; full-time equivalents were seven. For more detailed information, refer to the Report on Resources.

5. Executive and Support Services

The Deputy Minister of the BC Public Service Agency has responsibility for ensuring the human resource requirements of the public service are aligned with current and future requirements of government. The Deputy Minister works with colleagues from all ministries to ensure the products and services provided by the Agency and Leadership Centre are meeting the on-going needs of government and positioning the staff and management of the public service to achieve excellence.

Two groups support the Agency and Leadership Centre: Corporate Services and Communications.

Corporate Services

Overview

Corporate Services provides budget, financial, administrative, and infrastructure support to the Agency and Leadership Centre. This includes: budget preparation, reporting, and analysis; accounts payable/receivable; internal financial policy; facilities; telecommunications; security; purchasing; contract administration; and records management.

It also provides a wider range of services in the area of employee benefits and workforce adjustment. Acting as the employer it provides budget, financial, and administrative support for the Public Service Pension and employee health benefit plans, and is responsible for all aspects of budget and financial administration of workforce adjustment. These services are provided beyond the Agency and extend to a broader audience of clients such as: plan carriers, external employers (who participate in public service benefit plans), financial institutions, ministries, individual government employees and the BC Pension Corporation.

Year in Review

- Budgets were established and realigned within the Agency as a result of reorganization and transition.
- The Leave Liability Project Office was established to mitigate government's financial risk.
- The legal custody and control of approximately 100,000 open and active files were securely transferred to regional offices. More than 8,000 boxes of human resource files from agency clients and the former PSERC were relocated and recorded in Agency offices in eight locations.

Communications

Overview

The internal communications branch supports the strategic requirement for the Agency and the Leadership Centre to effectively and efficiently distribute information concerning initiatives, products, services and programs to client ministries and internal staff.

This branch was newly created as the Agency and Leadership Centre opened their doors in 2003. In its inaugural year, this two-person area worked with staff to ensure the cohesion and consistency of materials destined to larger public service audiences and liaised with the Public Affairs Bureau on matters of interest to the media and general public.

Year in Review

- Developed and deployed websites for the Agency and Leadership Centre to provide access to information, tools and products for public service employees, managers, human resource practitioners and executive.
- Analyzed, consolidated and implemented a more cost effective and strategic approach to electronic information delivery, ensuring integration with other government services and utility to client groups.

Executive and Support Services Resources Used

- Actual operating expenses were $1,639,000; full-time equivalents were 17. For more detailed information, refer to the Report on Resources.

Strategic Shifts and Significant Changes in Policy Direction

This is the first Annual Service Plan Report for the BC Public Service Agency. On April 1, 2003 the Agency replaced the Public Service Employee Relations Commission (PSERC). Prior to the establishment of the Agency, many human resource functions and services were delivered directly by ministry human resource departments under delegated authority from PSERC. Within the Agency, human resource leadership, policy development and the delivery of human resource management services are consolidated. This consolidation has taken place in conjunction with aligning accountability for human resource management with ministry line managers and their deputy ministers.

The new organization and structure was designed to achieve:

- Clearer accountability for human resource governance and management;
- Effective, high quality human resource programs and services; and
- Cost efficient service delivery.

The consolidation of human resource services and programs within the Agency requires new approaches, attitudes and relationships. The Agency works closely with its partners, including Strategic Human Resource units within ministries and other government organizations. These units are responsible for negotiating service level agreements for the human resource services provided by the Agency.

Following its first year of operations, the Agency is continuing to refine its programs and service delivery to meet its goal of providing client-centred, exemplary human resource services.

Update on *New Era* Commitments

The BC Public Service Agency has completed its *New Era* projects and commitments. The appendices include a brief summary of previously completed and reported *New Era* commitments.

Performance Reporting

Overview of Agency Goals

In 2003/04, the Agency remained active and committed to the following service plan goals, which were developed by the Public Service Employee Relations Commission:

1. Workforce Adjustment — To quickly transition the workforce from today's business practices to the business practices of tomorrow.
2. Public Service Renewal — To rebuild and sustain a professional public service capable of providing quality services that meet the needs of British Columbians.
3. Human Resource Organization — To ensure that the human resource organization for the BC government public service is efficiently and effectively organized, staffed and supported.

These goals were established largely as *New Era* commitments. They support the Agency in achieving its vision and mission, and focus the Agency's service delivery in the following core business areas:

- Governance and Strategy
- Client Services
- Workplace Health and Benefits
- BC Leadership Centre
- Executive and Support Services

Due to the integrated nature of the Agency's approach to service delivery, it is not possible to specifically assign any of the following goals or their objectives to a single business area.

Goal 1: Workforce Adjustment — To quickly transition the workforce from today's business practices to the business practices of tomorrow.

Objective	Key Strategies
Provide effective change management to assist ministries in achieving workforce adjustment and redesign of government organizations.	• Establish and implement workforce adjustment guidelines and policies to quickly transition today's workforce to the new business practices mandated by government. • Manage the workforce adjustment process, including the administration of voluntary exit programs, the placement of surplus workers, wherever possible and as required, and the involuntary layoff of employees surplus to government's requirements. • Provide services and advice to executive and ministries to support re-profiling existing organizations and implementing new government organizations.

Goal 2: Public Service Renewal — To rebuild and sustain a professional public service capable of providing quality services that meet the needs of British Columbians.

Objectives	Key Strategies
Ensure effective human resource governance and policy frameworks are in place.	• Develop and maintain a corporate human resource plan, including strategies to address issues such as succession, retention and recruitment. • Lead a review of human resource legislation and policy frameworks. • Undertake ongoing evaluation of programs and systems, and develop and implement a performance management framework for the Agency. • Develop and implement a human resource information strategy to ensure access to information that will inform managers and enhance decision-making capacity.
Create visionary and proactive leadership in the public service.	• Implement a comprehensive executive management program that includes succession planning, and provides executive recruitment and selection, orientation, performance management, ongoing career planning, and training and development.
Establish human resource standards and practices for a performance-focused workforce.	• Establish a simplified, merit-based recruitment and staffing process. • Establish the core competencies needed by all managers and supervisors such as: effective communication, ethics and integrity, managing change and transition, and client service. • Establish and implement a comprehensive performance management framework with initial emphasis on management employees.
Create a flexible and motivating public sector work environment.	• Review and make changes to management compensation policy and consider pay for performance options. • Review and simplify current job evaluation and classification processes.
Ensure that the public service is a learning and innovative organization.	• Establish a corporate training strategy based on identified government needs, including consideration of e-learning and a review of corporate training fund mechanisms. • Provide enhanced employee development opportunities, based on personal learning plans.
Provide for progressive employee-employer relations.	• Use and refine alternative dispute resolution methods and continue to identify new methods in consultation with employee groups.

Goal 3: Human Resource Organization — To ensure that the human resource organization for the BC government public service is efficiently and effectively organized, staffed and supported.

Objectives	Key Strategies
Create a new, responsive human resource organization delivering quality services to ministry clients.	• Review and implement changes to the design of government's human resource service delivery structure to support government direction toward shared services, achieve efficiencies and provide responsive, quality service to client ministries.
Provide up-to-date, effective, high quality services and programs to client ministries in the areas of staffing, classification, compensation and benefits, occupational health and safety, and labour relations.	• Review all human resource policies and procedures with a goal of reducing regulatory requirements and ensuring streamlined and flexible human resource practices. • Establish a safe and healthy workplace strategy. • Administer collective agreements in an efficient manner that protects the collective interests of ministries and ensures consistent application. • Prepare for and successfully renegotiate expired agreements with employee groups within the fiscal mandate while maintaining management flexibility and competitive total compensation.

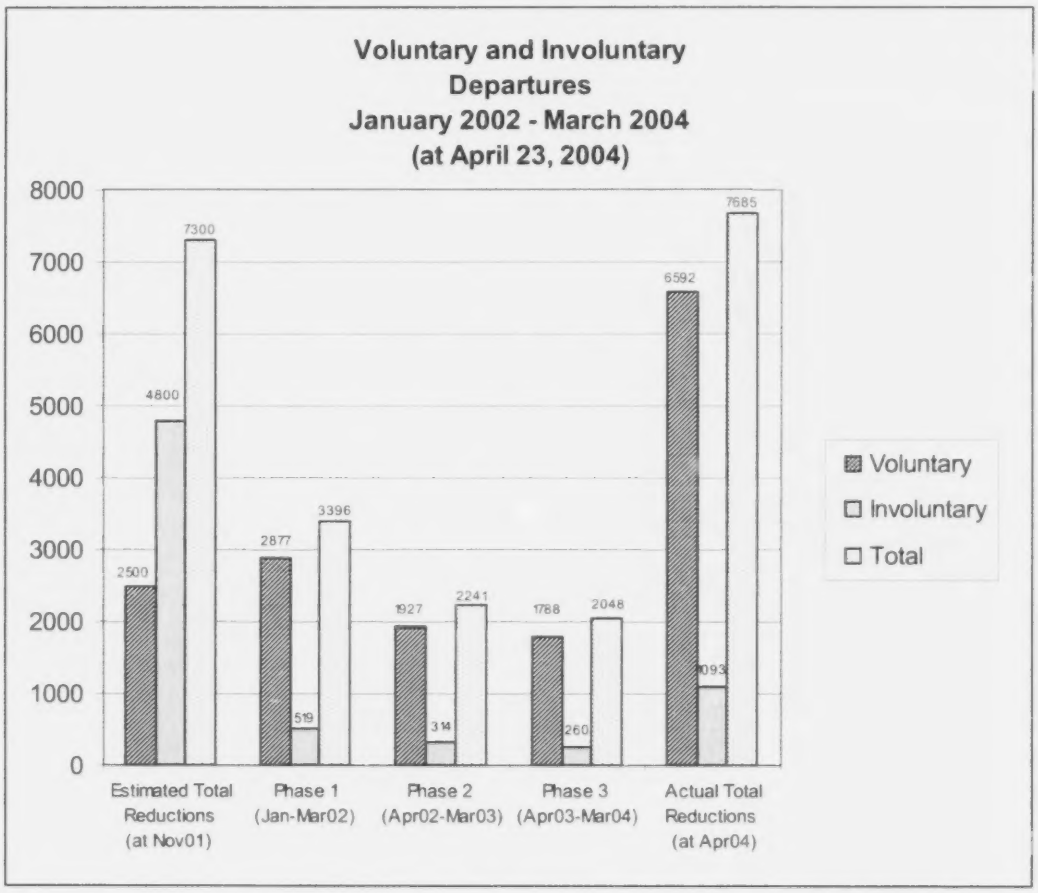
Report on Results

The three goals in the 2003/04 Service Plan were identified as transitional goals and have all been substantially accomplished. As such, these goals are not reflective of the long-term goals that have since been established for all shared service organizations. As the Agency migrates to the new goals, new performance measures have been and will continue to be developed. Many of the measures from the 2003/04 year will not be carried forward.

Goal 1: Workforce Adjustment — To quickly transition the workforce from today's business practices to the business practices of tomorrow.

Objective

Ministries are provided with effective change management services and programs to assist them in achieving workforce adjustment and redesign of their organizations.



Performance Measures and Results

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance[1]
Workforce adjustment reductions achieved in accordance with government's requirements	3,396	2,241	A total reduction of 7,300 FTEs	A total reduction of 7,685 FTEs	385

[1] The target was exceeded by 385 FTEs.

March 2004 marked the completion of the government's three year workforce restructuring initiative. In 2001, a goal of 7,300 reductions was set, anticipating a total of 2,500 departures through voluntary exit programs. Since this time there have been over 7,600 departures. As the figure shows, approximately 85 per cent of the departures have been through voluntary exit programs. Since this goal has been achieved, the goal and its corresponding performance measure will not be carried forward.

Goal 2: Public Service Renewal — To rebuild and sustain a professional public service capable of providing quality services that meet the needs of British Columbians.

Objectives

- Effective human resource governance and policy frameworks are in place;
- The public service has visionary and proactive leadership;
- Human resource standards and practices support a performance-focussed workforce;
- The public service has a flexible and motivating work environment;
- The public service is a learning and innovative organization; and
- Progressive employee-employer relations practices are in place throughout the public service.

Performance Measures	2003/04 Target	2003/04 Actual	Variance
Executive competencies developed and in place	100% DMs have competency development plans	100% of DM's have completed Employee Performance and Development Plans (EPDP).	0%
Performance management framework in place	50% of ministries' HR plans reflect focus on performance management for employees	All DMs made a commitment to the EPDP process. They committed to 100% of their excluded management employees having an EPDP in place for fiscal 2003/04.	All 19 ministries had a performance focus
Timeliness of new staffing process	New staffing process implemented — training and education	New process implemented, client services staff education complete; core training courses for line managers developed and implemented; additional courses in development.	Target met
Increased use of alternative dispute resolution methods	Baseline established	• The existing fast track arbitration process was further streamlined by building in a case management process. • One step in the grievance process contained in the BCGEU Master Agreement was eliminated. • Through an amendment to the *Public Service Act*, the Public Service Appeal Board was eliminated and replaced with an internal review process for staffing issues.	Not available — measure to be discontinued

Performance Measure	2000/01 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Positive perception of work environment	59%	64%	63% [1] 54% [2]	-1% [1] -10% [2]

[1] Uses the same methodology and almost the same questions as in 2000/01.

[2] Uses Hewitt's latest methodology and questions. This will become the new baseline.

The BC Public Service Agency has undertaken a number of initiatives to support Public Service Renewal. Competencies were developed and an Employee Performance and Development Plan (EPDP) process was implemented. All deputy ministers have completed EPDPs as well as 360-degree reviews. There was also a commitment to drive this focus on performance throughout the organization, starting with the goal that 100 per cent of excluded management employees would have an EPDP in place in 2003/04.

A new approach to staffing was introduced to modernize our processes and provide managers with more flexibility and options. This included: amendments to legislation and policies, elimination of the staffing appeal process, introduction of a new merit review process, training of all client services staff in the Agency, development of an electronic toolkit for managers, and development of training courses for managers.

Another initiative to modernize processes is the continued streamlining of the alternative dispute resolution process. The existing fast track arbitration process was further streamlined by building in a case management process and one step was eliminated from the grievance process contained in the BCGEU Master Agreement. Also, through an amendment to the *Public Service Act*, the Public Service Appeal Board was eliminated and replaced with an internal review process for staffing issues.

Overall, there is a modest improvement in the work environment, as measured by the employee engagement index in the Office of the Auditor General's survey. The employee engagement index measures the state of intellectual and emotional involvement in an employee's work and organization. A well-performing public service requires employees who are engaged in their work and organization. There is still room to further improve the public service on an on-going basis. The employee engagement measure will be carried forward both in the 2004/05 service plan and also appears in the 2003/04 – 2005/06 Corporate Human Resource Plan.

Goal 3: Human Resource Organization — To ensure that human resource practices are up-to-date and effective and that the public service is efficiently and effectively organized, staffed and supported.

Objectives

- An effective accountability framework for the management of human resources in the public service is in place.
- The human resource organization is responsive and effective and delivers quality programs and services to Ministry clients.
- Delivery of human resource programs and services is streamlined and efficient.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Accountability and performance evaluation frameworks in place	Accountability and performance evaluation frameworks assessed	• A performance measurement framework was developed in October 2003. The framework will continually be reviewed and revised as appropriate. • Service Level Agreements were revised and approved for 2004/05.	Target met

Performance Measure	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Regulatory requirements reduced by one-third	Regulatory requirements reduced by 12%	Regulatory requirements reduced by 15%	Regulatory requirements reduced by 21%	Target exceeded by 6%

Performance Measure	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Client satisfaction with services received through new HR organization	53.9% [1]	60% satisfied	20% dissatisfied 38% neutral 42% satisfied [2]	-18%

[1] The 2002/03 Client Satisfaction Survey did not ask a question about overall satisfaction. Instead, there was a separate satisfaction question for each of the 7 pre-Agency business lines. These responses were combined to create an overall satisfaction score. The limitation is that each of the 7 business lines is treated as equally important to clients.

[2] The 2003/04 Client Satisfaction Survey (the first Client Satisfaction Survey for the new Agency) asked a question about overall satisfaction with the quality of service, a question the first survey did not ask. Therefore, the two percentages are not directly comparable. Clearly the target of 60 per cent satisfaction was not reached in this first transitional year. While we are disappointed with the results, this was an ambitious target given the nature and magnitude of the change we undertook during this year. The Agency is committed to continuous quality improvement and is using these results to help prioritize and focus work. We will continue to improve client service and monitor client satisfaction.

Performance Measure	2003/04 Target	2003/04 Actual	Variance
Budget reduction targets achieved in accordance with plan	Cost of HR services reduced	Reduced the HR budget by $19.1 million.	Target met

A significant focus of work during the first year of the new Agency was the development of accountability frameworks. A performance measurement framework was developed as a tool for reporting on the progress of the Agency. In addition, service level agreements have been put in place for all ministries, including a roles and responsibilities matrix. A delegation matrix that outlines accountabilities for decision-making at all levels was approved by deputy ministers. Accountability and performance measurement frameworks will continue to be revised as needed.

Deregulation

In compliance with the *New Era* commitment to reduce the regulatory burden by one-third between June 5, 2001 and June 5, 2004, the Agency:

- Identified and targeted obsolete policies for deletion;
- Consolidated and streamlined existing policies; and
- Minimized duplication between policies and collective agreements.

Attention in 2003/04 was focussed on two core business areas: governance and strategy, and pension, employee benefits and corporate programs.

In governance and strategy, amendments made to the *Public Service Act* provided more flexibility and streamlined the recruitment, selection and appointment of employees. The changes to this Act also eliminated the Public Service Appeal Board and replaced it with an internal staffing review process under the Office of the Merit Commissioner, resulting in $270,000 in annual savings.

Under pension, employee benefits and corporate programs, changes included deleting obsolete policies and administrative updates. Passage of the *Pension Statutes Amendment Act* in 2003 removed pensioners from the *Public Service Benefit Act* and streamlined the administration of benefits.

As illustrated in the following table, the Agency is well positioned to meet, and exceed, its regulatory reduction targets for 2003/04 and the total one-third reduction required by June 5, 2004. Planning is underway to continue realigning human resource management and related regulatory reduction. The future focus will be on continuing to remove regulatory barriers, shifting from prescriptive requirements to practice guidelines and enhancing ease of access and regulatory interpretation by users.

Timeframe	Target number of reductions	Target percentage of reductions	Number of reductions achieved within timeframe	Percentage of reductions achieved within timeframe
April 1, 2002 – March 31, 2003	691	12%	699	12%
April 1, 2003 – March 31, 2004	864	15%	1,192	21%

Report on Resources

Resource Summary by Core Business Areas

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Governance and Strategy	6,552	—	6,552	6,542	10
Client Services	1,098	—	1,098	(509)	1,607
Leadership Centre	1	—	1	—	1
Workplace Health and Benefits	1	—	1	2	(1)
Executive and Support Services	809	—	809	1,639	(830)
Total	**8,461**	**—**	**8,461**	**7,674**	**787**
Full-time Equivalents (FTEs)					
Governance and Strategy	69	—	69	65	4
Client Services	232	—	232	195	37
Leadership Centre	—	—	—	7	(7)
Workplace Health and Benefits	66	—	66	57	9
Executive and Support Services	17	—	17	17	—
Total	**384**	**—**	**384**	**341**	**43**
Agency Capital Expenditures (CRF) ($000)					
Governance and Strategy	—	—	—	1	(1)
Client Services	2,328	—	2,328	13	2,315
Leadership Centre	—	—	—	—	—
Workplace Health and Benefits	—	—	—	—	—
Executive and Support Services	1,839	—	1,839	698	1,141
Total	**4,167**	**—**	**4,167**	**712**	**3,455**

Note: The variance in operating expenses is due to the estimates being based on a draft organizational structure for the new Agency. Actual expenses represent the resources required for the approved organizational structure of the Agency.

Fulfillment of Commitments under the Kamloops Report

Following the tragic murder-suicide at a Kamloops Ministry of Water, Land and Air Protection office in 2002, the Royal Canadian Mounted Police, the Workers' Compensation Board, a coroner's jury and a joint union/management workplace committee completed investigations. The latter three submitted reports and recommendations to the employer.

In August 2003, the Agency released the Kamloops report, which responded to the recommendations made during the investigations. In that report, the Agency accepted, in whole or in part, each of the human resource recommendations made to the employer. The commitments made in the Kamloops Report have been substantially met, as described below:

Leadership Skills

- Leading the Way, a leadership and management development program, was enhanced with the addition of a workshop on leadership and violence prevention, which focuses on the prevention of violence in the workplace.
- A results-based approach to staffing in the public service has been implemented. Changes to the *Public Service Act* in December 2003, a streamlined recruitment and selection policy, practice guidelines, and an updated manager's staffing toolkit were developed to support the new staffing model.
- Over the last year, competencies have been increasingly integrated throughout the public service. Competencies are being used in staffing, training and development programs, and employee performance and development plans.

Performance Reviews

- The majority of public service managers have completed an annual employee performance and development plan (EPDP).
- EPDP guidelines for ministries require new supervisors to review performance and development plans of current staff.
- EPDP guidelines for supervisors require that supervisors provide feedback to employees regarding the employee's interactions with staff and supervisors.

Termination Process

- A new risk assessment tool was developed to assess the risk of violence during termination. The manager's checklist addresses the removal of keys and other safety issues.
- Guidelines for termination interviews were changed to include the recommendation that a second manager be present at the interview and the need to consider the employee's dignity and safety when selecting the interview location.

- Employees have been provided with information about the services available through the employee and family assistance program.

Violence Prevention Policy and Violence Prevention Training Programs

- Standards of conduct were revised.
- All public service employees have been informed of the revisions to the standards of conduct and their respective roles and responsibilities in creating and maintaining a violence-free workplace. To assist managers with these conversations, a discussion guide was developed.
- Harassment training was revised to include worker-to-worker violence. This training was given to 255 employees this year. In addition, 796 employees attended violence prevention seminars addressing worker-to-worker violence.

Procedures for Reporting Potential Violence and Safety Concerns

- All public service employees have been informed of the avenues for reporting safety concerns.
- Deputy ministers have reviewed the manner in which employees are informed of workplace violence regulations and have ensured it is effective in the context of each workplace.
- The standards of conduct were revised to require employees to report any incidents or threats of violence.

Safety in the Workplace

- Deputy ministers were reminded of the legislative requirement to ensure that active and effective occupational health and safety committees are operational.

Appendix A: Regional Office Locations

Head Office	**Victoria** 810 Blanshard Street V8W 2H2 PO Box 9404 Stn Prov Govt V8W 9V1	Phone:	250 387-0518
Vancouver Island Region	**Nanaimo** 2080 Labieux Road V9T 6J9	Phone: Fax:	250 751-3155 250 751-3244
	Victoria 940 Blanshard Street, 3rd Floor V8W 3E6 PO Box 9481 V8W 9E7	Phone: Fax:	250 356-1500 250 387-0886
Northern Region	**Prince George** #500-1011-4th Avenue, 5th Floor V2L 3H9	Phone: Fax:	250 565-4242 250 565-4249
South Coast Region	**Abbotsford** #220-2881 Garden Street V2T 4X1	Phone: Fax:	604 557-1700 604 504-4113
	Burnaby 4940 Canada Way, Suite 204 V5G 4K6	Phone: Fax:	604 660-3900 604 660-3994
	Vancouver 865 Hornby Street, 8th floor V6Z 2G3	Phone: Fax:	604 660-0828 604 660-0457
Southern Interior Region	**Kamloops** 167 Lorne Street V2C 1V9	Phone: Fax:	250 371-4330 250 377-4472
	Nelson 310 Ward Street, 2nd Floor V1L 5S4	Phone: Fax:	250 354-6161 250 354-6224

Appendix B: Corporate Publications

Following is a list of publications and web-based documents available from the BC Public Service Agency:

- BC Public Service Agency Service Plan, 2004/05 – 2006/07.
- BC Public Service Agency Business Plan, 2003/04 – 2005/06.
- BC Public Service Profile, 2003/04 (http://www.bcpublicservice.ca).
- Achieving Excellence in Public Service, A Corporate Human Resource Plan for the Public Service of British Columbia, 2002.
- The Future of the HR Organization in the BC Public Service, May 2002.
- Employee Performance and Development Planning (http://www.bcpublicservice.ca/epdp/).
- Managers HR Toolkit (http://www.hrtoolkit.gov.bc.ca/).
- A Guide for Employees of the BC Public Service Agency, 2003.

Appendix C: Completed *New Era* Commitments

The BC Public Service Agency was charged with the following *New Era* commitments and projects:

- Passing merit employment legislation to restore a professional, non-partisan public service;
- Establishing the Office of the Merit Commissioner;
- Implementing a shared services model to improve the efficiency and effectiveness of services; and
- Developing and implementing a plan to rebuild and sustain a professional public service.

Legislation creating the position of Merit Commissioner was passed in spring 2001. The Merit Commissioner is responsible for conducting random audits of public service appointments to confirm that the competition process resulted in appointments based on merit.

The Office of the Merit Commissioner was operational by October 2001 and merit audits commenced in November 2001. In February 2002, the Office undertook its first survey of public service employees' attitudes to merit in the public service. Follow-up surveys are planned for future years. The first annual report of the Merit Commissioner was tabled in the Legislature in May 2002; subsequent reports were submitted to the Legislative Assembly in May 2003 and May 2004.

The Agency was responsible for developing two other projects: a shared services model for human resource management and implementing a program to rebuild the public service. Both of these projects were completed by the end of fiscal year 2002/03, with the creation of the BC Public Service Agency and BC Leadership Centre on April 1, 2003, and the development and implementation of the public service renewal initiative — a comprehensive plan to rebuild and sustain a professional and qualified public service.

One specific strategy within the renewal initiative was the development of a simplified merit-based staffing process to support recruiting and selecting a professional, competent public service. Consistent with this goal, a systematic review of the public service staffing policy and process was undertaken throughout 2002/03 culminating in fundamental changes to the recruitment and selection system for public service employees. Other projects undertaken as part of Public Service Renewal included establishing leadership and executive development programs through the Leadership Centre and developing a corporate training strategy.